



Committed to the future of rural communities.

New York 2008 Progress Report

INCREASING ECONOMIC OPPORTUNITY AND IMPROVING
THE QUALITY OF LIFE IN RURAL NEW YORK



New York State Director for USDA Rural Development Patrick H. Brennan



I'm honored to have served as USDA Rural Development's New York State Director for most of the past eight years and proud of the agency's many accomplishments during this time.

The credit for these achievements is not mine, however. It goes to Rural Development's 100-plus employees in New York, whose efforts enable farms, businesses, municipal governments, non-profit groups and individuals to utilize our valuable services. I thank them for their dedication and professionalism.

As I leave office, I am mindful that the \$1.7 billion that was allocated during my tenure was not our money. It did not belong to USDA or the federal government. It was taxpayers' money and I leave this post satisfied that it was spent as effectively and responsibly as possible.

It also has been my privilege to have served President Bush and to have worked with outstanding public servants such as Agriculture Secretary Ed Schafer and Under Secretary Thomas C. Dorr, as well as former Agriculture Secretaries Ann Veneman and Mike Johanns. Under their guidance and leadership, Rural Development became a more streamlined and more effective public agency, ensuring that it will continue to be a positive force in rural New York and the rest of rural America for years to come.

Patrick H. Brennan
State Director, USDA Rural Development

Secretary of Agriculture Ed Schafer



For more than 70 years, USDA Rural Development's mission has been to deliver a future that brings expanded economic opportunities and an improved quality of life for rural residents. My family's heritage is deeply rooted in rural agriculture, and I will forever be proud of my rural upbringing. Also, having served eight years as Governor of an agriculture state, North Dakota, gave me a thorough appreciation for rural economic development. Serving USDA has been more than a job; it has been a personal commitment. For me, the future of rural America is *my* future as well.

As we enter a new fiscal year, USDA is being called upon to help the Nation develop renewable energy, decrease our reliance on foreign oil, and help create extraordinary opportunities for rural entrepreneurs.

I have been proud to serve our Nation during these exciting and challenging times. I am confident that with the support of USDA Rural Development, rural America's best days are yet to come.

Ed Schafer
Secretary of Agriculture

Under Secretary for Rural Development Thomas C. Dorr



USDA Rural Development is approaching its 75th anniversary, and the prospects for rural America have never been brighter. Rural America is changing. USDA Rural Development is changing along with it to meet new challenges and opportunities. But one thing has not changed: the partnership between USDA Rural Development and millions of rural Americans. It is truly a privilege to serve rural America, and because of that partnership, we can meet the challenges of today with confidence in a better tomorrow.

Thomas C. Dorr
Under Secretary for Rural Development

Housing Programs

Rural Development administers two housing programs to provide safe, decent and affordable housing for rural New Yorkers.

The **Rural Rental Housing Program**, commonly referred to as the **Multi-Family Housing (MFH) Program**, supports apartment homes for persons 62 and older, the disabled and low- to moderate-income families.

The state's MFH program oversees 468 apartment complexes with 13,920 units. The vast majority of these facilities were financed through the **Rural Rental Housing Loan Program**, which makes direct loans to housing developers to construct rural rental property. MFH also administers a **Rental Assistance (RA)** program, which provides financial assistance to more than 5,400 tenants, as well a **Farm Labor Housing Loan Program** and **Housing Preservation Grants**. For more information, call (315) 477-6453 or your local service center.



The MFH program prides itself on its effective working relationship with state, local and private partners, as demonstrated at this dedication ceremony of the new 24-unit Hillside Village in Nunda. Pictured from left to right are Tim Brinduse, TAB Design Architects; Joe Skill, Chair, Genesee Valley Rural Preservation Council (GVRPC); Steve Beardsley, Bank of Castile; State Director Brennan; State Sen. Cathy Young; Merilee Walker, Nunda Village Manager; Tom Van Nortwick, NY State Division of Housing and Community Renewal; Jill Alcorn, President and CEO, GVRPC; and Tom Baldwin, Supervisor, Town of Nunda.

FY 2008 Rural Rental Housing Allocations	
515 New Construction Loans	\$3,883,181
515 New Construction leveraging	\$16,797,601
Rental Assistance (new)	\$301,800
Rental Assistance (renewal)	\$9,701,227
Housing Preservation Grants (HPGs)	\$249,998
HPG leveraging	\$1,406,503
TOTAL	\$32,340,310



The Single Family Housing Program helped nearly 1,000 rural New Yorkers buy homes last year. Randy and Elizabeth Tauscher (center, front row), received a direct home loan to buy their home in Clifton Springs. Pictured in the front row with the Tauschers during a National Home Ownership Month celebration in June are daughters Caitlin, left, and Cathaline, right. In the back row are Darcy Dwyer of Rural Development's Loan Processing Center; Lee Beaulac of Pathstone; JoAnn Keller of Rural Development's Canandaigua office, Dee Frey of Pathstone and State Director Brennan.

FY 2008 Single Family Housing Allocations	
502 Direct Loans	\$20,328,882
502 leveraging	\$1,666,980
502 Guaranteed Loans	\$73,819,251
504 Home Repair Loans	\$451,183
504 Home Repair Grants	\$760,676
504 Leveraging	\$16,260
TOTAL	\$97,043,232

The **Single Family Housing (SFH) Program** supports individual home ownership in rural areas through direct and guaranteed loans. Direct loans are provided by USDA, while private lenders make the loans in the guaranteed program. The loan programs require no down payment, no private mortgage insurance and offer generous terms.

The SFH program helped 995 rural New York families buy homes last year and also supported over \$1 million in home renovations through its home repair loan and grant program. In total, the SFH program allocated just over \$97 million last year, with \$73.8 million — more than 75 percent of its total — coming through its guaranteed home loan program. For more information these loan programs, contact the SFH state office at (315) 477-6416 or a local service center. Local numbers are listed on page 6.

Community Programs

Community Programs are comprised of **Rural Utilities** and **Community Facilities**. The programs combined to support more than 100 projects in fiscal year 2008, resulting in a direct investment of almost \$65 million.

Rural Utilities is best known for its **Water and Environmental Programs (WEP)**, which provides loans, grants and loan guarantees for drinking water and sanitary sewer projects in rural areas of 10,000 or less. Public bodies, non-profit organizations and recognized Indian tribes may qualify for assistance. The program provided 43 loans and 34 grants last year, improving water and wastewater services for more than 36,000 rural New Yorkers.

Community Facilities (CF) provides loans, guaranteed loans and grants to build or purchase essential community facilities in rural areas of up to 20,000 in population. Public entities such as municipalities, counties, and special-purpose districts, as well as non-profit corporations and tribal governments are eligible. A wide variety of projects can be supported, including municipal halls, highway garages, schools, libraries, museums, day care centers, health care clinics and fire and rescue services. The program directly invested \$12.3 million last year.



This water tower in the Town of Marion was recently renovated with Rural Development funding. New York's Rural Utilities Program combined with state and local partners to invest more than \$95 million in water and sewer infrastructure last year. The program ranked third nationally in grant volume and fourth in loan volume.

FY 2008 Community Program Allocations	
Utilities	\$52,279,795
Leveraging	\$33,446,688
Community Facilities	\$12,361,252
Leveraging	\$9,043,232
TOTAL	\$107,130,967

Community Programs also serve as the first stop for programs administered by Rural Development's national office. These include **Electric, Distance Learning and Telemedicine (DLT)** and **Broadband Access** programs. Last year, national programs provided more than \$6.4 million for New York projects.

Steuben Rural Electric Cooperative was the recipient of a \$1 million grant from the Electric Program's **High Energy Cost Grant Program**. Designed for communities where home energy costs exceeds 275 percent of the national average, Steuben REC was one of only 17 organizations in the country to receive funding through this initiative. The Electric Program also provided a \$5 million loan to the Delaware County Electric Cooperative for maintenance and service improvements. The DLT program supported two New York projects, providing a \$268,000 grant to the Genesee Valley Board of Cooperative Educational Services (BOCES) and a \$197,000 grant to the Finger Lakes Migrant Health Care Project.

In March, Rural Development's national office made a \$267 million loan to Open Range Communications of Denver, Colo. Under the loan's terms, Open Range will provide broadband service within five years to 518 rural communities in 17 states, including 18 rural New York communities. For more information on national programs, contact the Community Programs state office at (315) 477-6434. For information on Community Programs, contact either the program's state office or a local office. Local numbers are listed on page 6.



State Director Brennan (far right) and Dawn Kuras (far left), Rural Development Team Leader in Batavia, join Amy Moore (center left) of Rep. Thomas Reynolds' office to present a \$445,900 loan and grant combination to Albion Town Supervisor Judy Koehler. The funding helped complete the Town's new water district, which replaced inadequate private wells in the area. Rural Development's water and wastewater projects provided improved service for more than 36,000 rural New Yorkers last year.

Business Programs

Rural Development's **Business Programs** are designed to improve economic conditions and increase employment in rural areas. In fiscal year 2008, the program invested more than \$30 million and assisted 124 businesses, creating and saving a combined total of 1,147 jobs in rural New York.

The **Business and Industry (B&I) Guaranteed Loan Program** is the largest Rural Development financing effort and allocated more than \$22 million in guaranteed loans last year. The B&I program guarantees private lender loans for projects or businesses that provide employment or improve the business environment. A borrower may be a cooperative organization, corporation, partnership, a Federally recognized tribal group, a public body or an individual. B&I loans are normally available in rural areas of up to 50,000 people. Guarantees are provided on a sliding-scale according to loan size.

FY 2008 Business Program Allocations	
B & I Loan Guarantees	\$22,062,500
Rural Business Enterprise Grants	\$901,565
Renewable Energy and Energy Efficiency (REEG)	\$1,644,581
REEG Leveraging	\$4,863,744
Value Added Producer Grants (VAPG)	\$342,417
VAPG leveraging	\$343,604
TOTAL	\$30,158,411



Solar panels on a sheep dairy barn at Three Corner Field Farm in Shushan. Rural Development's renewable energy program can support solar, geothermal, wind, biomass and hydrogen projects. The program provided more than \$6.4 million in direct and leveraged financing last year.

The **Renewable Energy Assistance Program (REAP)**, formerly known as the **Renewable Energy and Energy Efficiency Grant (REEG) Program**, supports renewable energy development and enhanced energy efficiency for farms and rural businesses. The program provided \$1.6 million for 16 projects last year and leveraged more than \$4.8 million in private funds. The Business Program also administers **Value Added Producer Grants (VAPGs)** to assist agricultural producers and businesses. An extremely competitive program, it provided more than \$342,000 to three New York value-added farm businesses in 2008.

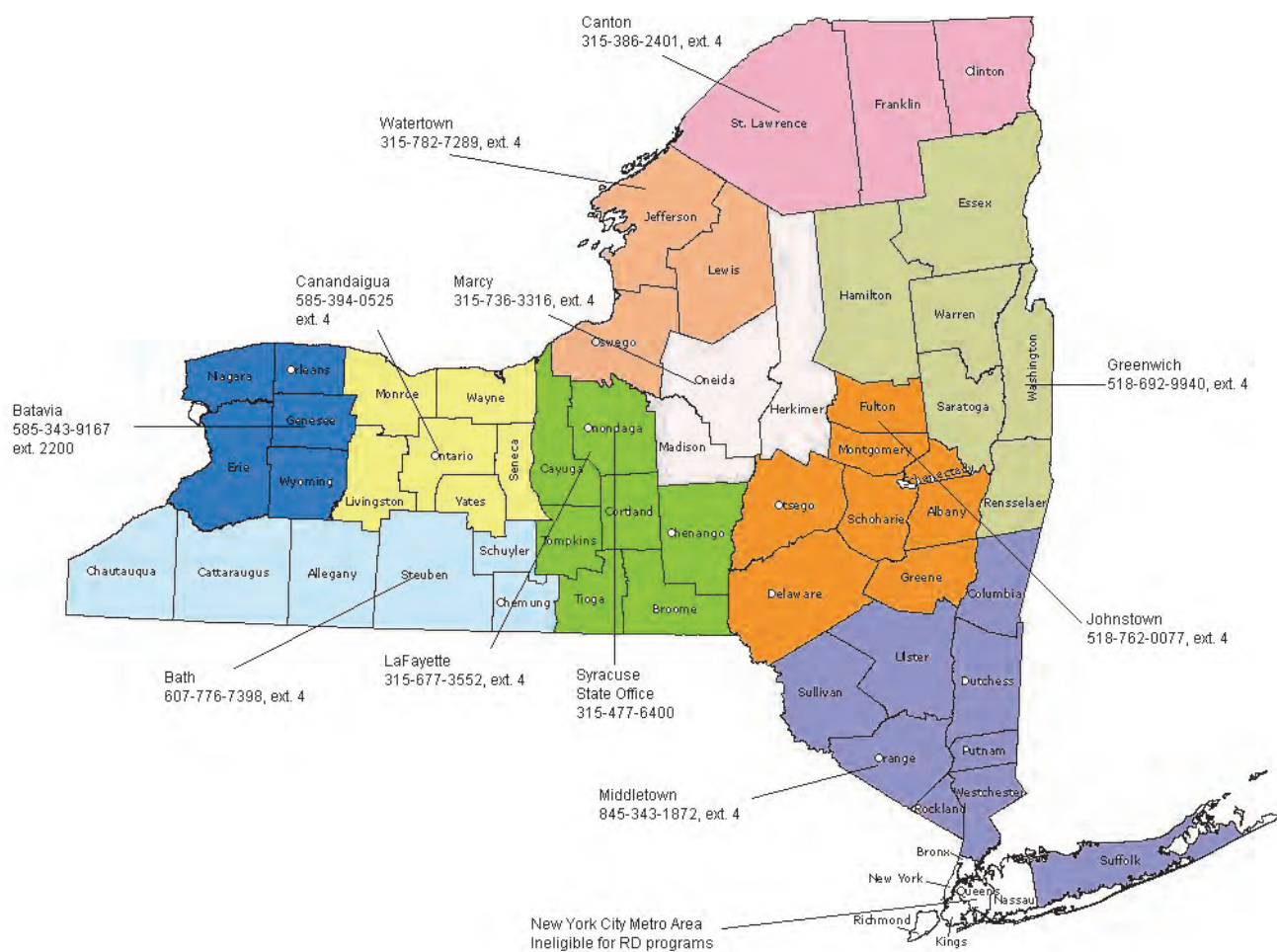
Rural Business Enterprise Grants (RBEGs) are available to public bodies and nonprofit corporations to support small and emerging businesses. The awards are usually less than \$100,000. Ten New York organizations received a combined \$901,000 in RBEG funding in 2008.

The Business Program also administers an **Intermediary Relending Program**, which lends money to qualified intermediaries, such as local economic development agencies, who then re-lend to local businesses. For more information on Business Programs call (315) 477-6430 or a local service center.



The Village of Warsaw used a \$94,990 RBEG to install natural gas at an existing RD-financed day care center, operated by Wyoming County Community Action (WCCA). WCCA has received \$450,000 in loans and \$50,000 in grants for the center over the last two years from Rural Development's Community Facilities program. Pictured, from left to right, are: Paul Cole, Rep. Tom Reynolds' (NY-26) office; Dr. Scott Treutlein, Mayor, Village of Warsaw; Alan Bliss, Housing Director, WCCA; Assemblyman Dan Burling; Ronald Smith, Supervisor, Town of Warsaw; State Director Brennan; Tom Van Nortwick, NY DHCR; Martin Mucher, Executive Director, WCCA; Doug Berwanger, Chair, Wyoming County Board of Supervisors; Thomas Dixon, Chair, WCCA Board of Directors.

New York Area Office Locations and Contact Information



www.rurdev.usda.gov/ny

USDA Rural Development Investment* in New York

Program	FY 2008	FY 2001-2008
Business	\$30,158,411	\$325,592,724
Housing	\$129,383,542	\$571,782,657
Community	\$113,592,100**	\$887,841,786
TOTAL	\$273,134,053	\$1,785,217,167

*includes leveraged funds **includes \$6,461,133 from national programs

Cover photos. Top: Solar panels and cow, Arnold Farm, Argyle. 2nd from top: Check presentation to Associated Community Action of the Northeast Adirondack Region (ACANAR). From left to right: Assemblywoman Teresa Sayward; Nicholas Mueller, Chair, ACANAR; Robin Pierce, Executive Director, ACANAR; Rep. John McHugh (NY-23); State Sen. Elizabeth O'C. Little, State Director Brennan. 3rd from top: Sheridan Fire Hall construction. Bottom left: Fire truck, Geary. Bottom right: entrance to recently completed Bolivar Landing multi-family housing complex, Chittenango.

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Ave., S.W. Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 7206382 (TDD).